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6 Attorneys for Defendant  
 7 QUICKEN LOANS INC.

8 UNITED STATES DISTRICT COURT

9 FOR THE NORTHERN DISTRICT OF CALIFORNIA

10 SAN FRANCISCO DIVISION

11 PROVIDENT FUNDING ASSOCIATES, L.P.,

Case No. C-07-5680 JCS

12 *Plaintiff,*

13 *v.*

14 QUICKEN LOANS INC., and DOES 1 through  
 20,

15 *Defendants.*

**QUICKEN LOANS' ANSWER TO  
 PROVIDENT'S COMPLAINT FOR  
 DECLARATORY RELIEF AND BREACH  
 OF WRITTEN CONTRACT**

**DEMAND FOR JURY TRIAL**

18       QUICKEN LOANS INC. ("Quicken Loans") hereby answers and otherwise responds to the  
 19 Complaint for Declaratory Relief and Breach of Written Contract filed by Plaintiff PROVIDENT  
 20 FUNDING ASSOCIATES, L.P. ("Provident").

**"COMMON ALLEGATIONS"**

21       1.       Quicken Loans admits that Provident is a California limited partnership.  
 22       2.       Quicken Loans admits that Quicken Loans Inc. is a Michigan corporation.  
 23       3.       Quicken Loans lacks knowledge or information sufficient to form a belief as to the  
 24 truth or falsity of the allegations contained in Paragraph 3, and therefore denies all the allegations of  
 25 Paragraph 3.

1       4. Quicken Loans admits that Provident and Quicken Loans entered into a  
2 Correspondent Seller Agreement (“Agreement”) and that a copy is attached as Exhibit 1 to the  
3 Complaint. Further answering Paragraph 4, Quicken Loans avers that the Agreement speaks for  
4 itself.

5       5. Quicken Loans avers that the Agreement speaks for itself. To the extent a further  
6 response is required, Quicken Loans denies the allegations in Paragraph 5.

7       6. Quicken Loans avers that the Agreement speaks for itself. To the extent a further  
8 response is required, Quicken Loans denies the allegations in Paragraph 6.

9       7. Quicken Loans lacks knowledge or information sufficient to form a belief as to the  
10 truth or falsity of the allegations contained in Paragraph 7, and therefore denies all the allegations of  
11 Paragraph 7.

12       8. Quicken Loans admits that it sold mortgage loans to Provident pursuant to the  
13 Agreement. Quicken Loans avers that the Agreement speaks for itself. Quicken Loans further  
14 denies that there were many early payment defaults in connection with some of the mortgage loans  
15 Quicken Loans sold to Provident. Quicken Loans denies all other allegations of Paragraph 8.

16       9. Paragraph 9 states conclusions of law as to which no response is required. To the  
17 extent a response is required, Quicken Loans denies the allegations in Paragraph 9.

18       10. Quicken Loans lacks knowledge or information sufficient to form a belief as to the  
19 truth or falsity of the allegations contained in Paragraph 10, and therefore denies the allegations of  
20 Paragraph 10. Quicken Loans specifically denies that Provident has sustained damages.

21       11. Quicken Loans admits that Provident gave notice of certain alleged defaults to  
22 Quicken Loans and demanded that Quicken Loans repurchase certain of the mortgage loans and  
23 indemnify Provident as to other mortgage loans. Quicken Loans further admits that Exhibit 2 of the  
24 Complaint is a schedule of mortgage loans, and avers that the document speaks for itself. Quicken  
25 Loans admits that Exhibit 3 of the Complaint is a schedule of mortgage loans, and avers that the  
26 document speaks for itself. The remaining allegations of Paragraph 11 state conclusions of law as to  
27  
28

1 which no response is required. To the extent a response is required, Quicken Loans denies the  
2 remaining allegations in Paragraph 11.

3 **“FIRST CAUSE OF ACTION**

4 **(For Declaratory Relief)”**

5 12. Paragraph 12 states conclusions of law as to which no response is required. To the  
6 extent a response is required, Quicken Loans denies the allegations in Paragraph 12.

7 13. Quicken Loans admits the allegations of Paragraph 13.

8 14. Paragraph 14 states conclusions of law as to which no response is required. To the  
9 extent a response is required, Quicken Loans denies all allegations.

10 **“SECOND CAUSE OF ACTION**

11 **(For Breach of Written Contract)”**

12 15. Paragraph 15 states conclusions of law as to which no response is required. To the  
13 extent a response is required, Quicken Loans avers all allegations. Further answering, Quicken  
14 Loans states that the Agreement speaks for itself.

15 16. Paragraph 16 states conclusions of law as to which no response is required. To the  
16 extent a response is required, Quicken Loans denies all allegations.

17 **AFFIRMATIVE DEFENSES**

18 **FIRST AFFIRMATIVE DEFENSE**

19 1. The Complaint, and each allegation contained in it, fails to state a claim upon which  
20 relief may be granted.

21 **SECOND AFFIRMATIVE DEFENSE**

22 2. Plaintiffs' claims are barred by the applicable statute of limitations, by the doctrine of  
23 laches, and/or by other equitable doctrines.

24 **THIRD AFFIRMATIVE DEFENSE**

25 3. Plaintiffs' claims are barred by release, estoppel, waiver, and/or other equitable  
26 doctrines.

## **FOURTH AFFIRMATIVE DEFENSE**

4. Plaintiffs' damages, if any, were caused, in whole or in part, by their own conduct or by the conduct of their agents.

## **FIFTH AFFIRMATIVE DEFENSE**

5. Plaintiff has failed to make reasonable efforts to mitigate its damages, if any.

## **SIXTH AFFIRMATIVE DEFENSE**

6. Quicken Loans will rely upon such other and further defenses as may become apparent during the course of this action.

WHEREFORE, Quicken Loans prays as follows:

1. That the action shall be dismissed with prejudice, and that Provident shall be awarded nothing on its Complaint;

2. That judgment shall be entered in favor of Quicken Loans and against Provident on all causes of action alleged in the Complaint;

3. That the Court shall award Quicken Loans its attorneys' fees and all other costs reasonably incurred in the defense of this action; and

4. That the Court shall award such other relief that it deems just and proper.

## **JURY DEMAND**

Quicken Loans hereby demands a jury trial on all issues so triable.

Dated: January 7, 2008

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